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**On Behalf of**

**Campbell Soup Company; General Mills, Inc.; The Hershey Company; Kellogg Company; Kraft Foods Inc.; Nestlé USA; PepsiCo, Inc.; Sara Lee Corporation; Unilever United States, Inc.**

**Federal Trade Commission and Department of Health and Human Services  
Public Workshop on Marketing, Self Regulation and Childhood Obesity  
July 15, 2005**

Proposals to Strengthen Advertising Self-Regulation and to Encourage Public-Private  
Initiatives Promoting Healthy Lifestyles

We would like to thank Secretary Leavitt and FTC Chairman Majoras for their leadership in building understanding around the role of marketing in fostering healthy children's lifestyles. We particularly appreciate this opportunity for the food and beverage industry to participate in the FTC-HHS workshop on July 14-15.

As companies in the food and beverage industry who are also supporters of CARU, we recognize that we have a unique opportunity to help make a spectrum of food choices available to everyone, especially to children, and to use our marketing resources to promote both healthy eating and healthy activity choices. In support of that, we also understand that meaningful, robust self-regulation of children's marketing is in everyone's interest.

We believe the self-regulatory system managed by the National Advertising Review Council and implemented through the National Advertising Division ("NAD") and the Children's Advertising Review Unit ("CARU") has worked well over the years and ensures that advertising meets the highest standards of truth and accuracy. We believe self-regulation can be an even more effective tool and that CARU, in particular, can play a major role in that effort.

In that spirit, we have offered our support to the NAD and CARU for strengthening their efforts in several important respects. In suggesting these improvements, we strongly believe that CARU can continue to be the standard for strong, effective, and credible self-regulation of advertising that American consumers can count on. We will re-commit ourselves to that goal and pledge our companies to providing the financial support that is required.

1. **Build CARU's resources and enforcement capacity.** We believe that CARU staff and resources must be substantially increased in order to effectively implement several of the recommendations suggested here. In addition to ensuring adequate enforcement capacity, expanded staff will allow CARU to continuously improve its effectiveness, and to ensure improved consumer access as described below.
2. **Improve direct consumer access.** We believe consumers, especially parents, should have immediate and direct access to CARU for purposes of expressing concerns about specific advertisements and about children's advertising in general. That could be accomplished by establishing a toll-free consumer response line and website, publicizing the existence of both, and responding to consumers directly regarding complaints and comments.
3. **Improve transparency.** We believe a summary of CARU's regulatory activities should be available to the public on the CARU website and should include a review of complaints filed, against whom, and on what general topic, in addition to final resolutions of those complaints. While such information is provided in written reports to subscribers and is public information, we believe the website ought to provide easy access to an overview of the scope of CARU's regulatory activities.
4. **Broaden involvement and advice to CARU on matters of children's health.** We support augmenting CARU's external advisory boards to provide more expertise on matters related to health, wellness and nutrition and including parents, educators, nutritionists, fitness experts, behavioral experts, and experts on FTC and FDA policy. The expanded advisory board could:
  - Provide expert guidance to the CARU staff during the advertising monitoring and review process.
  - Advise the National Advertising Review Council on suggested improvements to the existing guidelines.
  - Work with advertisers to develop approaches that encourage constructive and consistent healthy lifestyle messages.
5. **Strengthen voluntary pre-dissemination review of ads.** We support strengthening the existing mechanism for pre-review of advertising with the goal of preventing advertising that is not consistent with CARU's guidelines from reaching the marketplace. We envision this as a voluntary mechanism that could be strengthened through the participation by members of an expanded staff and advisory board.
6. **Ensure CARU's guidelines address certain marketing practices as follows:**
  - Expand CARU's guidelines to address advertising contained in commercial computer games, video games and interactive websites.
  - Prohibit paid product placement on children's programming.
  - Appropriate use of third-party licensed characters in advertising.

7. **Build a closer working relationship with FTC and HHS.** We believe robust self-regulation requires effective support from both industry and government. To that end, we would encourage the FTC to look for ways to strengthen its relationship with CARU.

In addition, we believe that government can play a role in helping support private sector initiatives to promote healthy lifestyles. In that regard, we have two recommendations:

1. **Develop an HHS award program that recognizes companies for promoting healthy lifestyles.** We believe that healthy lifestyles originate with healthy environments and individual choices. The private sector, across a wide range of industries, can make a significant contribution by helping to provide consumers with the knowledge, motivation and options to make healthy choices and build healthy habits. An HHS-sponsored program that defines and recognizes meaningful contributions in areas such as employee health and wellness, community activities, consumer communications, product development and public-private partnerships could have a significant impact in mobilizing private sector actions.
2. **Maintain federal funding for healthy lifestyle communication programs, like the HHS/Ad Council “Small Steps” campaign and the CDC’s VERB program or successor campaign.** By supporting the development of comprehensive communication programs, among a wide constituency, the government is not only building awareness, particularly among children, but is substantially contributing to the knowledge base around successful behavioral interventions.

Once we’ve received feedback on our suggestions for strengthening self-regulation from FTC, HHS and other stakeholders at the Workshop, we propose that a task force be assembled to move these ideas swiftly forward, with a fixed deadline for finalizing an implementation plan for the agreed-upon improvements.

Thank you for your efforts to further understanding and promote constructive solutions. We look forward to your reactions and would welcome further discussions.